

NEWS FROM ED MARKEY

United States Congress

Massachusetts Seventh District

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“BUSH ADMINISTRATION ENERGY POLICY IN A SHAMBLES,” SAYS MARKEY

Lawmaker Calls for Emergency Home Heating Funds and Plan for Tapping Special Northeast Product Reserve to Cope with Soaring Energy Prices

Washington, DC: Rep. Edward Markey (D-MA) today called upon the Bush Administration to do for consumers what it has already done for big oil companies – tap into the nation’s reserves to calm the price crisis in the oil markets.

“Now that the Bush Administration has conceded that the Strategic Petroleum Reserve is relevant to dealing with the current OPEC-driven global price crisis, it is time to think about what it could mean to the average home heating oil customer this winter,” said Rep. Markey, a senior Democratic member of the House Energy and Commerce Committee and the author of the legislation that set up the Northeast Home Heating Oil Reserve.

Rep. Markey explained, “If this winter is simply an average winter, the average New England family will pay an estimated \$123 more this winter for home heating oil than last winter. If this winter is as cold as it was two years ago, that increase will soar to nearly \$200.”

To help alleviate the cost burden of high heating oil prices on low-income families, today Rep. Markey led a bipartisan group of 60 Congressional members in sending a letter requesting \$600 million in emergency funding for the Low-Income Home Energy Assistance Program (LIHEAP). The increase in funding would be considered along with a supplemental funding request to aid victims of Hurricanes Charley, Frances, and Ivan. While the lawmakers strongly support the rapid passage of the hurricane relief assistance, they are also urging Congress to avoid a potential home heating disaster this winter. After a summer of high gasoline prices, the anticipated high price for heating fuels could force many low-income families to choose between heating and eating, a choice that can be avoided for many low-income New England families if the additional LIHEAP funding is allocated.

“After already experiencing \$50 a barrel oil prices and a thirty percent increase in gasoline prices over the last four years, low-income families in Massachusetts cannot absorb a sharp increase in the price of home heating oil,” said Rep. Markey. “Since 50% of LIHEAP recipients bring home less than \$10,000 a year, that kind of cost burden is one they cannot bear.”

The LIHEAP program has a proven record of success. In a 2004 survey of LIHEAP participants, it was found that 63% of participants who experienced a payment-related loss of heat had their service restored because of LIHEAP. Of those who did not lose their main heat source, 48% reported that they would have without LIHEAP assistance.

The following table details the increases in various oil products in the last four years since the Bush Administration took office.

SOARING ENERGY PRICES ARE A TAX ON ALL OF US

	Average Price per Gallon		% Increase
	Winters of 1998-2000	Projected for Winter of 2004-05	
Home Heating Oil Prices in the Northeast (Dollars/Gallon) ^[1]	\$1.12	\$1.60	+43%

	Average Price per Gallon		% Increase
	01/29/2001	9/27/2004	
Gasoline Prices in Massachusetts (Dollars/Gallon) ¹	\$1.49	\$1.94	+30%

	End of Month Prices		% Increase
	1/2001	9/2004	
Crude oil Prices (Dollars/Barrel) ^[2]	\$28.66	\$49.64	+73%

“The energy policy of this Administration is in a shambles,” said Rep. Markey, “and it is ordinary families that are paying the price. Now we face an emergency this winter. We need to act now to supplement the low-income energy assistance program and prepare for the use of the home heating oil reserve if ordinary families are to make it through the coming winter.”

^[1] Historical heating oil and retail gasoline prices obtained from the Energy Information Administration, www.eia.doe.gov.

^[1] Crude oil prices obtained from TFC Community Charts, www.tfc-charts.com.